

225 ✓

REQUEST FOR COUNCIL ACTION

MEETING

DATE: 9/3/03

AGENDA SECTION:

Public Hearings

ORIGINATING DEPT:

Finance Department

ITEM NO.

E-13

ITEM DESCRIPTION: A public hearing to consider the issuance of approximately \$5.8 million in public housing revenue bonds on behalf of Pacific Housing Corporation for the Eastridge Estates Project.

PREPARED BY:

Dale Martinson

Representatives of Pacific Housing Advisors, Inc. located in Seattle, Washington, have requested this hearing to consider providing preliminary approval to the issuance of approximately \$5.8 million in public housing revenue bonds (conduit debt) for their project. The bonds would be utilized to fund the acquisition and rehabilitation of the 126-unit Eastridge Estates apartment facility located at 2009 17th Street SE in Rochester. The property is an affordable housing development (with a Section 8 rental assistance contract in place). The property would continue to remain a low to moderate income housing property following acquisition.

Pacific Housing Advisors, Inc. is not a 501(c)(3) organization and therefore will have to apply to the State of Minnesota for an allocation of tax-exempt bonding authority. The State sets maximum amounts in various categories that can be issued each year, known as the "bonding cap". As part of providing preliminary approval, the council is asked to authorize submission of the application for the bonding allocation from the State.

Should the State approve the bonding allocation, there would be one final action item returning to the council at that time to authorize final approval of the issuance. Our bond counsel reviews the documents to assure that these bonds will NOT be considered a legal liability of the City and that in no event shall the obligations ever be payable from or charged upon any funds of the City.

Representatives from Pacific Housing Advisors, Inc. will be available at the hearing to answer any questions the Council or members of the public may have.

Council Action Requested

Adopt a resolution calling providing preliminary approval of the issuance of approximately \$5.8 million in housing revenue bonds for the Eastridge Estates Project and authorizing submission of application to the State for bonding authority.

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

22